

AMENDMENT TO H.R. 1291
OFFERED BY MR. STEARNS OF FLORIDA

At the end of the bill add the following new section:

1 **SEC. 4. STATE AND LOCAL TAX ON TELECOMMUNICATIONS**

2 **REVIEW COMMISSION.**

3 (a) FINDINGS.—The Congress makes the follow find-
4 ings:

5 (1) Federal, State, and local taxation of tele-
6 communications services is excessive, complex, con-
7 fusing, and discriminatory.

8 (2) The telecommunications industry should
9 share a tax burden that is no greater than other
10 competitive industries.

11 (3) The taxation of the telecommunications in-
12 dustry should be simplified and made more equi-
13 table.

14 (4) Telecommunications services taxation, at
15 the State level, should be simplified through the use
16 of such devices as one transaction tax per State,
17 with the possibility of an optional local tax; one re-
18 turn per state; one audit administered at the State
19 level; nationwide uniform sourcing; nationwide uni-
20 form definitions; and 120 days lead time for imple-
21 menting tax base and rate changes.

1 (5) A single plan for simplification may not be
2 suitable for all States and local governments or for
3 the consumers of telecommunications services in
4 those States and localities.

5 (6) The best way to effect the tax reform meas-
6 ures described herein is through cooperation between
7 industry and State and local governments.

8 (b) REVIEW COMMISSION.—

9 (1) COMPOSITION OF COMMISSION.—

10 (A) The President shall establish a review
11 commission comprised of—

12 (i) the Secretary of the Treasury, who
13 shall serve as Chairman;

14 (ii) the Secretary of Commerce;

15 (iii) the Chairman of the Federal
16 Communications Commission;

17 (iv) the 3 chief executive officers of
18 States to be selected by the National Gov-
19 ernors Association;

20 (v) the 2 heads of State utility regu-
21 latory commissions to be selected by the
22 National Association of Regulatory and
23 Utility Commissioners;

1 (vi) the 2 mayors of cities to be se-
2 lected by the United States Conference of
3 Mayors; and

4 (vii) 10 members from the private sec-
5 tor representing the telecommunications
6 industry.

7 (B) In selecting the individuals described
8 in subparagraph (A)(vi) for nominations to the
9 review commission, the President shall consult
10 with the Speaker of the House of Representa-
11 tives, the minority leader of the House of Rep-
12 resentatives, the majority leader of the Senate,
13 and the minority leader of the Senate.

14 (2) ESTABLISHMENT AND DUTIES.—The review
15 commission shall review the progress of the States in
16 achieving the objectives of telecommunications tax
17 simplification and neutrality and report to Congress,
18 within 3 years of the date of enactment of this Act,
19 with respect to its findings and any recommenda-
20 tions it deems appropriate.